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TAGS: [PREL](#) [PGOV](#) [XB](#) [NZ](#)  
SUBJECT: A/S HILL'S MEETINGS WITH NEW ZEALAND OFFICIALS

Classified By: Acting DCM Katherine Hadda,  
for reasons 1.4 (b) and (d)

¶1. (C) Summary: During his March 19-20 visit to Wellington and Auckland, Assistant Secretary of State for East Asian and Pacific Affairs Christopher R. Hill met with GNZ officials from foreign affairs, defense, law enforcement, and intelligence agencies. All agreed that the United States and New Zealand should explore new areas for cooperation, notably

in the Pacific Islands. The Ministry of Foreign Affairs and Trade's (MFAT) CEO told A/S Hill that he was personally working to encourage an improved tone in New Zealand's public discourse on bilateral relations, especially at the political level. A/S Hill praised New Zealand's contributions in Afghanistan and the South Pacific. He emphasized in both his meetings and follow-up press events that the U.S. would use economic -- not political -- criteria to decide whether to pursue an FTA with New Zealand. Local media coverage of A/S Hill's visit has been factual and up-beat. NZ officials have also told us how much they valued this first purely bilateral visit by an EAP Assistant Secretary in twelve years. END SUMMARY.

¶2. (C) A/S Hill met first with Ministry of Foreign Affairs and Trade (MFAT) CEO Simon Murdoch and Deputy Secretary John McKinnon, who were then joined by other MFAT officials covering Pacific Islands, security, counterterrorism and bilateral issues. Ambassador Hill also participated in a working lunch with NZ defense, law enforcement, and intelligence officials. The following are the key issues

covered in the meetings:

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Bilateral Relations/FTA  
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¶3. (C) A/S Hill said he was trying to bring positive energy into US-NZ bilateral relations in recognition of our joint

work in many areas. He said that there was a lot that both sides could cooperate on within existing policy constraints. Murdoch agreed, acknowledging that the country's anti-nuclear ban is an emotional touchstone in New Zealand politics despite the country's looming energy shortages. Murdoch said he believed the two sides should talk more, look for areas of policy alignment, and work together in areas not constrained by the anti-nuclear issue. We should for example continue to cooperate under PSI exercises if it makes sense to do so. Murdoch said that he and others and MFAT are personally committed to improving the tone of New Zealand's public statements about the United States, especially at the political level. He said that to avoid anti-Americanism

being "the flavor of the month," organizations such as the US-New Zealand Council will have to step into the breach. The April 21 US-NZ Partnership Forum will also be very helpful. A/S Hill said he recognized New Zealand remained interested in a bilateral FTA, and said that U.S. officials would use economic criteria only to decide whether and when to seek an agreement.

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Pacific Islands  
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14. (C) A/S Hill told his NZ counterparts that the United States recognizes the importance of the Pacific Islands. Our problem is limited resources. A recent Millienium Challenge compact for Vanuatu, for example, took huge amounts of paperwork despite the 200,000 person population. US officials are now looking at regional initiatives, and are interested in cooperating with Australia and New Zealand. A/S Hill suggested it could be helpful for all three countries to coordinate on a game plan for the Pacific

Islands Forum.

15. (C) MFAT Deputy Secretary Alan Williams said that New Zealand considers relations with the Pacific as a domestic as well as foreign issue, as many Pacific Islanders live here and events in their home countries resonate. For this reason, New Zealand is looking strategically at its planning for the region, taking a whole of government approach among 17 GNZ agencies. New Zealand is trying sector-wide programs of assistance, for example on Papua New Guinea health care. This involves setting strategies with governments and holding them to benchmarks. GNZ also cooperates closely with Australia, meeting every six months on Pacific issues. Agencies of one country at times carry out the programs for the other. Williams said that both the EU and Japan are reviewing assistance to the region. Williams and Heather

Riddell, Director of MFAT's Pacific Islands Division, agreed that the Post Forum Dialogue is a weak way to work with the Pacific Islands.

16. (C) Dell Higgle, New Zealand's Ambassador for Counterterrorism (and Director of MFAT's Security Division), summarized New Zealand's efforts to ensure Pacific Island nations are fulfilling counter-terrorism obligations. NZ's Pacific Island Security Fund provides equipment for airport and port security, for example. New Zealand is emphasizing that CT measures will help protect Pacific Island countries from transnational crime as well. GNZ has started a counterterrorism working group that includes both policy and law enforcement officials from the region. The aim is to engender a sense of community on these issues. Higgle said that in April, the UNSC CT chair would be speaking to the group in Auckland. The United States has been invited, but has not yet responded.

¶7. (C) Higgle also said that if the United States were looking to increase international support for the

Proliferation Security Initiative, it could be useful to get Pacific Island countries to affirm the initiative's principles. New Zealand is very willing to help in this effort.

¶8. (C) Acting Police Commissioner Steve Long told A/S Hill that the NZ police have 35 staff in the Solomon Islands, to help restore a credible police force there. They also have others scattered around the Pacific Island States. Long noted the difficulty of anti-corruption work and solving political murders in the Solomon Islands. Even if the police force is clean and effective, if the courts are tainted or can be intimidated, police rebuilding efforts are undermined. Martin Wevers, CEO of the Prime Minister's office, said that PM Clark had called on senior judges in Port Moresby before the Pacific Islands Forum meetings, just to underscore NZ support for a strong judiciary in PNG, which is facing similar problems to the Solomons. NZ Defence Force Commander Bruce Ferguson said the NZDF protects the perimeter of all prisons in the Solomon Islands, to keep convicted criminals from being released by fellow tribesmen or collaborators.

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China in the Pacific  
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¶9. (C) Many Kiwi interlocutors, including Foreign Minister Winston Peters (septel) expressed concern over China's often negative role in the Pacific Islands. Peters is trying to encourage a collective Pacific Island voice to counter the PRC. New Zealand was not happy with China's intragigence over Taiwan's participation in the recent fisheries conference held in Wellington, which led to Taiwan leaving the meeting. Deputy Secretary McKinnon said that GNZ would also discuss its concerns with Premier Wen when he visits New Zealand next month.

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Counter-terrorism/Intelligence  
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¶10. (C) Customs CEO Martyn Dunne, a veteran of SAS

deployments to OEF and of the Solomon Islands deployment, talked about transborder challenges in the region, and the post 9/11 shift in customs from facilitation of trade and travel to security. He said this shift had doubled the size of NZ Customs over the past two years, mainly in response to U.S. Customs and Border Patrol requirements. He said NZ was the only country whose customs officials do their own container shipping inspections to meet U.S. security requirements. He characterized the customs relationship as "superb." Assistant U.S. Commissioner Keith Thompson had been in Wellington the previous week, and was full of praise for NZ's work on capacity building in the Pacific Island states.

¶11. (S) NZ Security Intelligence Service Director Richard Wood and Warren Tucker, Director of the Government Communications Security Bureau, both expressed gratitude for U.S. intelligence sharing. Because Australia's service was refocused after the Bali bombings, NZ has been asked to take on more training and support activity in Fiji, Tonga, PNG, the Cook Islands and the Solomon Islands.  
McCormick